

September 13, 2005

1120 Stakeholders

We are pleased to post the second draft (version 2005v1.1) of the Tax Year (TY) 2005 XML schemas that include the latest tax law and tax form changes. On September 1st, we posted the TY 2005 test scenarios found in Publication 4162, Modernized e-File Test Package for Forms 1120/1120S for Tax Year 2005. We plan to begin Assurance Testing (ATS) on November 7, 2005.

Please note:

ATS will **not** be available for any testing from 9/23/05 – 10/09/05 as we transition to Application-to-Application (A2A). Testing will resume on 10/10/05. You must use the 2005v1.1 schema versions. States will begin testing with A2A on 10/10/05.

Transmitters will be able to test through EMS starting 10/10/2005 but testing through A2A will not be available to transmitters until 11/7/2005.

XML Schemas

The second drafts of the TY 2005 XML schemas are for all 1120/1120S/7004 forms and schedules (new version 2005v1.1). The schemas are posted in the **ATS System** table at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html>. The “Diff Files” are included that show the changes from the previous schema versions. The **Production System** table contains the current valid schemas for Forms 1120, 1120S and 7004 that are still being used to process TY 2003 and 2004 tax returns, and TY 2004 timely-filed Extensions.

Business Rules

Release 3.2 Business Rules for TY 2005 (new version 2005v1.1) are posted in two different formats that contain identical information – Adobe (.pdf) and a comma separated file (.csv). A column within the file identifies changes made from the last posted version to help clarify changes made. New business rules are posted in the **ATS System** table at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html>. As with the XML schemas, current valid Business Rules for TY 2003 and TY 2004 are shown in the **Production System** table.

Key Changes

Please refer to the 7/29/05 memo (version 2005v1.0) for a recap of the initial TY 2005 changes.

In support of the Large Taxpayer corporations who are required to e-file, the following information was added to the acknowledgement file:

- Checksum of the submission data
- Taxable Income
- Total Tax

The data will provide assurance that the submission file prepared by an Electronic Return Originator (ERO) and transmitted by a Transmitter, is received by the IRS without change. The intent is to check for inadvertent loss or modifications of submission data by a transmitter.

Note: For your information, the following changes will be included in the TY2003 and/or TY2004 schema and/or business rules in the next publishing, tentatively set for October 14, 2005.

1. The TY2005 business rule number F1120-257 will be added to TY2004.
2. The business rule SF-F1040-008 will be deleted for TY2003 and TY2004.
3. Form 1120, line 8 amount will be changed to USAmountType for TY2004.
4. Form 3800, Carryforward General Business Credit dependency will add element "line explanation" for TY2004.
5. Form 8845, line 16 element name will change for TY2004.

As always if you have any questions or comments, please contact us through the Topica group or the ETA 1120 Team at 1120@irs.gov. You can also contact Xan Ostro at (202) 283-7697 or Joan Barr from the ETA team at (202) 283-2572. For questions on 7004, please contact Linda Lateef from the ETA team at (202) 283-0014.